

INSURANCE DEPARTMENT

Risk Purchasing Group Premium Tax Report

1. The Liability Risk Retention Act of 1986 stipulates that groups organized under the authority of the Act are subject to applicable state premium taxes. Risk Purchasing Groups are defined by type as indicated below.

Type 1. Direct Negotiation using approved surplus lines carrier.

Coverage is procured by the Risk Purchasing Group through direct negotiation with the surplus lines insurance carrier and not through a licensed surplus lines broker. The appropriate premium tax must be paid within 60 days after the insurance has been procured or renewed. (Premium taxes are paid to the Surplus Lines Association *NOT* to the Insurance Department)

Type 2. Direct Negotiations using unapproved/unlicensed insurance carrier. Coverage is procured by the Risk Purchasing Group through direct negotiation with the insurance carrier and not through a licensed surplus line broker. The insurance carrier does not hold a valid license in the State of Utah and is not listed as an approved surplus lines carrier in the State of Utah. The appropriate premium tax must be paid within 60 days after the insurance has been procured or renewed. Premium taxes are paid to the Surplus Lines Association *NOT* to the Insurance Department)

Type 3. Broker/Agent negotiation using Utah licensed insurance carrier. The purchasing group procures insurance through direct negotiation, agent or broker negotiation and the underwriting insurer is licensed in Utah, as evidenced by a current certificate of authority in the State of Utah. The payment of the appropriate premium tax is the responsibility of the insurance carrier. (Premium taxes are paid to the Utah State Tax Commission *NOT* to the Insurance Department)

Type 4. Broker/Agent negotiation, using approved surplus lines carrier. The purchasing group procures insurance from an approved surplus lines carrier, as evidence by placement upon the approved surplus lines carrier listing maintained by the Utah Insurance Department, using a Broker or Agent holding a current license in the State of Utah. The appropriate premium tax will be paid by procedures established for surplus lines brokers by the Surplus Lines Association of Utah. (Premium taxes are paid to the Utah Surplus Lines Association *NOT* to the Insurance Department)

2. This is an ANNUAL report form for the period of January 1 to December 31 of the current year. The report should include only information on premiums collected on risks located in the State of Utah unless otherwise indicated.
3. Any premium tax payments made during the year should be indicated on line 5, SECTION II.
4. All Tax Report Forms must be returned to the Utah Insurance Department, State Office Building Rm 3110, Salt Lake City, UT 84114 (801) 538-3800.
5. Any amount appearing on line 6 of Section II should be sent either to the Utah Tax Commission or Utah Surplus Lines Association.

RISK PURCHASING GROUP ANNUAL Premium Tax Report

Please complete all blanks. Please type or print all information unless otherwise indicated.

Name of Risk Purchasing Group

Name of Underwriting Insurer (attach additional sheets if necessary)

1) NAIC#

2) NAIC#

3) NAIC #

SECTION I

Mark only one space below:

Purchasing Group Type:

- ☐ 1. Direct Negotiation using approved surplus lines carrier.
☐ 2. Direct Broker/Agent Negotiation using unapproved/unlicensed insurance carrier.
☐ 3. Broker/Agent negotiation using Utah licensed insurance carrier
☐ 4. Broker/Agent negotiation using approved surplus line carrier

SECTION II (UTAH BUSINESS ONLY)

Complete **ONLY** if type 1 or type 2 is indicated in SECTION I

- | | | | |
|----|---|----|-------|
| 1. | Gross Direct Premiums | \$ | _____ |
| 2. | Return Premiums | \$ | _____ |
| 3. | Net Premiums [line 1 less line 2] | \$ | _____ |
| 4. | Premium Tax Incurred [line 3 multiplied by .0425] | \$ | _____ |
| 5. | Prepayments | \$ | _____ |
| 6. | Premium Tax Payable [line 4 less line 5] | \$ | _____ |

SECTION III

- | | | | |
|----|--|----|-------|
| 1. | Gross Direct Premiums (National) | \$ | _____ |
| 2. | Return Premiums (National) | \$ | _____ |
| 3. | Net Premiums (National) [line 1 less line 2] | \$ | _____ |
| 4. | Number of Members, <u>Utah Only</u> | | _____ |
| 5. | Net Premiums, <u>Utah Only</u> | \$ | _____ |

Authorized Person:

Name (type or print)

Title

Name (Signature)

Date